

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<ol style="list-style-type: none"> 1. North Carolina has the 8th highest correction staffing level in the nation and low prison efficiency as measured by inmates per correction officer in the Southeast. 2. Other states manage an equivalent number of inmates with one-third less staff. 3. The State has four to six times as many prisons as the national state average. 4. The average state prison holds two and one-half times more inmates than the average North Carolina prison. 	<ul style="list-style-type: none"> ▪ The State should consolidate 30 of its smallest and most inefficient prisons. ▪ The State should build large prisons to replace the capacity of its smallest prisons 	<ul style="list-style-type: none"> ▪ Saves 50 percent on the prison operating costs. ▪ Reduces the staff requirements on an inmate to staff ratio basis by 50 percent . ▪ Eliminates the need to repair and renovate existing prison facilities. ▪ If small facilities are closed, the facilities can be turned over to counties as large jails to help in implementing Community Corrections strategies. ▪ Avoids potential litigation, settlements, and federal court intervention by building prisons meeting new standards. ▪ Gives opportunity to increase the percentage of close custody cells that are required by the increasing percentage of high risk offenders. ▪ Expands the overall prison capacity for all inmate classifications in order to accommodate ever increasing admissions and increase the percentage of sentence actually served. ▪ Savings of \$19 million a year, which will pay back the cost of new prisons in less than four years. 	<p>8.13</p>

PUBLIC SAFETY
Consolidation of Small Prisons

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
5. Over one-third of the State prisons have standard operating capacities that are inefficient and costly.	<ul style="list-style-type: none"> ▪ North Carolina should develop efficient standards for staffing its newly constructed prisons. 	<ul style="list-style-type: none"> ▪ Ensures planners consider operating cost of planned prisons. 	8.14
6. The prison superintendents lack autonomy.	<ul style="list-style-type: none"> ▪ Remove excessive transaction approvals. 	<ul style="list-style-type: none"> ▪ Creates excessive layers of management, inefficiencies, unnecessary paperwork, and reduces accountability. ▪ Eliminates excessive day-to-day transactions approval by upper management and increases accountability and reaction time of prison superintendents. 	8.14
7. The Eastern and Western Commands have approximately 330 staff in their area offices that provide supervision and centralized support to the 66 small to medium prisons.	<ul style="list-style-type: none"> ▪ Area offices need to be consolidated, approval functions need to be minimized, and control of intra-prison management eliminated. 	<ul style="list-style-type: none"> ▪ Generates savings of \$4 million a year from staff reductions. 	8.14

ORGANIZATION AND STAFFING

Assessment of State Organization

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. The Department of Administration (DOA) includes several program units and advocacy groups that are inconsistent with its primary mission.</p>	<ul style="list-style-type: none"> ▪ The General Assembly should reorganize DOA to provide management and administrative services to State agencies. 	<ul style="list-style-type: none"> ▪ DOA is streamlined to provide improved management support to agencies across State government. 	<p style="text-align: center;">1.5</p>
<p>2. The public education governance structure in North Carolina has fragmented leadership and authority.</p>	<ul style="list-style-type: none"> ▪ The State Board of Education Appointment process should change and the Board should appoint the State Superintendent for Education. 	<ul style="list-style-type: none"> ▪ Provides single focus for public education policy. ▪ Increase accountability to Board. 	<p style="text-align: center;">1.6</p>
<p>3. The State lacks a clear organizational focus for its worker training and other labor-related functions.</p>	<ul style="list-style-type: none"> ▪ Establish a new Department of Labor that includes major worker training programs and other labor-related functions. 	<ul style="list-style-type: none"> ▪ Groups all worker training and apprenticeship programs and minimizes administrative costs. ▪ Coordinates policy for worker training and labor-related programs. ▪ Eliminates unnecessary duplication of worker training functions. 	<p style="text-align: center;">1.7</p>

ORGANIZATION AND STAFFING

Assessment of State Organization

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
4. There is program fragmentation and redundant administrative organizations in North Carolina's community corrections programs.	<ul style="list-style-type: none"> The State should consolidate its community corrections programs under the Department of Correction and streamline its administration. 	<ul style="list-style-type: none"> Utilizes the Department of Correction's resources more effectively, reduces program fragmentation, improves service delivery, and provides uniform management of community corrections programs. 	1.12
5. The functions of the Department of Crime Control and Public Safety are closely related to functions of several other departments.	<ul style="list-style-type: none"> The Department of Crime Control and Public Safety should be eliminated and its divisions placed within the appropriate departments. <p>* Referred back to subcommittee</p>	<ul style="list-style-type: none"> Streamlines State government and organizationally aligns related functions. Saves \$2.4 million annually by eliminating redundant administrative costs and better coordinates the division services with corresponding department mission. 	1.13
6. Multiple State agencies and commissions regulate financial institutions and closely related businesses.	<ul style="list-style-type: none"> The General Assembly should direct the Governor to study an improved method for organizing the State's agencies that regulate financial institutions. 	<ul style="list-style-type: none"> Provides uniform regulation of financial intermediaries. 	1.14

ORGANIZATION AND STAFFING

Assessment of State Organization

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
7. The State has over 200 boards and commissions and little thought has been given to evaluating their role, responsibility, and relevance after they have been created.	<ul style="list-style-type: none"> The General Assembly should identify all State boards and commissions and establish a sunset date for each one. 	<ul style="list-style-type: none"> Ensures that when they accomplish their mission, they will cease to function, thereby reducing costs. 	1.15
8. Inappropriate spans of control, excess layers of management, and one-on-one reporting relationship problems exist in many State agencies not evaluated in detail by GPAC.	<ul style="list-style-type: none"> The General Assembly should direct the Governor to conduct organizational and staffing analyses of State agencies not evaluated in detail by GPAC 	<ul style="list-style-type: none"> Provides significant potential to further streamline agency operations. 	1.16

ORGANIZATION AND STAFFING

Organization Assessment of State Administrative Services

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. Several program-related units and advocacy groups in DOA do not provide administrative services to State agencies.	<ul style="list-style-type: none"> ▪ The General Assembly should create a new department of administrative services. ▪ DOA's advocacy groups should be moved to the Governor's Office. The Governor should consider consolidating the enforcement function in the Human Relations Commission and the Governor's Advocacy Council for Persons with Disabilities. 	<ul style="list-style-type: none"> ▪ Promotes the delivery of highly efficient and effective user-driven support services from a single agency. 	2.10
2. Of the agencies that provide services to other agencies, SIPS and the Management and Productivity Section in OSMB meet the criteria for inclusion in DOA.	<ul style="list-style-type: none"> ▪ SIPS and OSMB's Management and Productivity Section should be transferred to DOA. 	<ul style="list-style-type: none"> ▪ Provides client agencies with information systems and telecommunications along with other centralized services and a customer service orientation. 	2.10
3. The Office of Marine Affairs performs functions similar to units in the Department of Environment, Health, and Natural Resources.	<ul style="list-style-type: none"> ▪ The Office of Marine Affairs' aquarium function should be moved to EHNR and its policy function should be eliminated. 	<ul style="list-style-type: none"> ▪ The marine policy function will reside in one agency. ▪ The aquarium management function will be housed in the same agency as the zoo management function. 	2.13

ORGANIZATION AND STAFFING

Organization Assessment of State Administrative Services

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>4. Advocacy groups in DOA include programmatic functions that are similar to programs in other agencies.</p>	<ul style="list-style-type: none"> ▪ Several of the advocacy groups' programmatic responsibilities should be moved to DHR. 	<ul style="list-style-type: none"> ▪ Allows DOA to be a pure management organization and allows the Governor to closely monitor advocacy activities. 	<p>2.12</p>
<p>5. The functions performed by Intergovernmental Relations overlap with other State agencies.</p>	<ul style="list-style-type: none"> ▪ Intergovernmental Relations' functions should be moved to the appropriate agencies: ▪ The federal/state relations component of Intergovernmental Relations should be moved to the Governor's Office ▪ The state/local relations component should be moved to the Department of Commerce ▪ The State clearinghouse should remain in DOA. 	<ul style="list-style-type: none"> ▪ The federal/state relations component can have a direct link to the Governor and can more effectively coordinate with the State's Washington, D.C. office. ▪ The state/local relations component is more appropriate in Commerce because of the component's economic development function. ▪ Two administrative positions can be eliminated which will save the State approximately \$603,324 over 10 years. 	<p>2.13</p>

ORGANIZATION AND STAFFING

Office of Administrative Hearings

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. Decentralizing OAH's hearing function would substantially increase costs and create the perception of an unfair hearing process.</p>	<ul style="list-style-type: none"> ▪ The administrative hearing process should remain centralized at OAH. 	<ul style="list-style-type: none"> ▪ The administrative hearing function will remain in a neutral agency and the hearing process will continue to be perceived as fair. ▪ The State will continue to save money by having one agency responsible for administrative hearings. 	<p style="text-align: center;">3.7</p>
<p>2. After the State conducts this impartial and sometimes lengthy hearing process, approximately 18 percent of judgements are ignored or only partially adopted by State agencies.</p>	<ul style="list-style-type: none"> ▪ The decisions of administrative law judges should be binding on agencies. 	<ul style="list-style-type: none"> ▪ Helps reduce the length of the hearing process by eliminating the step in which the agency decides whether to accept or reject the administrative law judge's decision and will give petitioners immediate recourse to the court system. 	<p style="text-align: center;">3.10</p>
<p>3. Fifteen other states have central hearing agencies similar to OAH, and several of these states' central agencies have fee structures.</p>	<ul style="list-style-type: none"> ▪ The General Assembly should implement a fee structure for OAH. 	<ul style="list-style-type: none"> ▪ Reduces the amount of direct State funding support and would discourage frivolous cases being brought before OAH. ▪ OAH could save approximately 25 percent of its budget by implementing a fee structure. 	<p style="text-align: center;">3.10</p>

ORGANIZATION AND STAFFING

Office of Administrative Hearings

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>4. OAH's publication activities are similar to those performed by the Secretary of State.</p> <p>5. Over 43 percent of OAH's positions are support-related and perform similar functions as the Administrative Office of the Courts' staff.</p>	<ul style="list-style-type: none"> • The administrative hearing process should remain centralized at OAH, with support services provided through the Administrative Office of the Courts and publications responsibilities transferred to the Secretary of State. 	<ul style="list-style-type: none"> ▪ Eliminates redundant support positions, which will save the State approximately \$3.9 million over 10 years. ▪ Transfers four positions on OAH's publishing staff to the Secretary of State. ▪ Eliminates the regional office in High Point. 	<p style="text-align: center;">3.3</p>

ORGANIZATION AND STAFFING

Department of Revenue Field Operations

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. DOR has 55 permanent field offices and 20 suboffices, more than any other southeastern state.</p>	<ul style="list-style-type: none"> The Department should eliminate 19 permanent field offices that are within 45 miles of another field office and have average collections of less than \$300,000 per revenue officer per year. 	<ul style="list-style-type: none"> Revenue officers can be located where there is a greater potential for higher revenue collections. Overall revenue collections are expected to increase. 	<p style="text-align: center;">4.2</p>
<p>2. Revenue officers spend approximately 25 percent of their time providing taxpayer assistance and provide similar services as the tax technicians in the Office Examinations and Taxpayer Assistance sections.</p>	<ul style="list-style-type: none"> The Field Operations Division should phase out the personalized, face-to-face taxpayer assistance which is currently provided by revenue officers, and increase the number of toll-free telephone lines that provide taxpayer assistance. 	<ul style="list-style-type: none"> Face-to-face taxpayer assistance provided by revenue officers can be reduced from 25 percent to 5 percent over 5 years, allowing them to focus more of their efforts on collecting delinquent taxes. Approximately \$1.5 million will be saved annually if 46 revenue officers (20 percent) are eliminated over 5 years. The toll-free lines will be more convenient and efficient for taxpayers because they can receive assistance in their homes rather than wait in line at a revenue office. 	<p style="text-align: center;">4.4</p>
<p>3. The Field Operations division is in the process of trying to expand its interstate audit group. This unit has a yield of \$10 per dollar of cost, which is significantly higher than the in-state audit group.</p>	<ul style="list-style-type: none"> DOR should continue to expand its interstate audit operation. 	<ul style="list-style-type: none"> If field operations expansion plan is implemented, the interstate audit department could assess over \$20 million per year. 	<p style="text-align: center;">4.5</p>

ORGANIZATION AND STAFFING

Department of Revenue Field Operations

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>4. Two field offices that have both revenue collection and audit functions have excess layers of management.</p>	<ul style="list-style-type: none"> ▪ A supervisory position should be eliminated in both the Rockingham and Elizabeth City field offices. 	<ul style="list-style-type: none"> ▪ Approximately \$74,702 will be saved each year with the elimination of these two positions. ▪ There should be no reduction in service to taxpayers. 	<p>4.11</p>

ORGANIZATION AND STAFFING

Department of Revenue Functional Reorganization

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. DOR's proposed functional organization is consistent with reorganizations in several other states.</p>	<ul style="list-style-type: none"> ▪ Implement the functional organization. 	<ul style="list-style-type: none"> ▪ Returns will be processed more quickly. ▪ Staff will be proficient in all tax schedules so they can be assigned where there is the greatest need. 	<p style="text-align: center;">5.7</p>
<p>2. The long-term success of the functional organization will depend on DOR's implementation of a new Integrated Tax Administration System (ITAS).</p>	<ul style="list-style-type: none"> ▪ DOR should implement ITAS to achieve a highly efficient and effective operation. 	<ul style="list-style-type: none"> ▪ ITAS has the potential, if properly designed and implemented, to boost productivity and potentially reduce existing staffing levels or slow staff growth over time. ▪ ITAS will result in improved service to taxpayers. 	<p style="text-align: center;">5.10</p>
<p>3. DOR's Deputy Secretary position is unnecessary.</p>	<ul style="list-style-type: none"> ▪ Reclassify the Deputy Secretary position and implement several other organizational changes. 	<ul style="list-style-type: none"> ▪ Overall personnel costs will be lower. ▪ Service to taxpayers in tax hearings should improve. 	<p style="text-align: center;">5.11</p>

ORGANIZATION AND STAFFING

Retiree Medical Program

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. Eleven percent of current retirees retired with less than 10 years of service.	<ul style="list-style-type: none"> Require 10 years of service prior to the State making any contributions for retiree medical coverage. 	<ul style="list-style-type: none"> Reduces the costs by approximately \$7 million per year. 	6.7
2. Medical claims of retirees under age 65 are approximately twice the average of active employees.	<ul style="list-style-type: none"> Require retirees under age 65 to make a contribution equal to Medicare Part B premiums. 	<ul style="list-style-type: none"> Reduces the costs by approximately \$8 million per year. 	6.9
3. The current contribution rates for retirees are based on the active costs.	<ul style="list-style-type: none"> Require retirees with less than 30 years of service to contribute part of the cost of their coverage. 	<ul style="list-style-type: none"> Reduces the costs by approximately \$10 million per year. 	6.9

ORGANIZATION AND STAFFING

Employee Medical Program

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1. The requested cost for family and child coverage will increase significantly starting in 1993, which will likely cause a further decrease in the number of employees electing dependent coverage.</p>	<ul style="list-style-type: none"> ▪ The State should retain its current spouse and children or children only coverage options. 	<ul style="list-style-type: none"> ▪ Increasing the cost of family coverage will result in more employees dropping dependent coverage. 	<p style="text-align: center;">7.11</p>
<p>2. North Carolina is one of a small number of states that pays the full cost of employee coverage and none of the dependent coverage.</p> <p>3. Financial constraints are the main reason that employees do not cover their dependents.</p>	<ul style="list-style-type: none"> ▪ The State should require contributions for single coverage and should adopt a percentage of pay approach for employee contributions to dependent coverage. 	<ul style="list-style-type: none"> ▪ Helps stem the loss of good risk individuals from the indemnity plan. ▪ Provides meaningful medical benefits to lower paid employees. ▪ Establishes a consistent long-term contribution strategy that is sensitive to employees' ability to pay. 	<p style="text-align: center;">7.11</p>

ORGANIZATION AND STAFFING

General Assembly's Central Staff Organization and Staffing

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
1. Nationally, the State has the lowest legislative expenditures per capita and a small full-time staff relative to most other states.			8.7
2. The General Assembly's centralized legislative staffing structure is common for citizen legislatures.			8.7
3. The Members of the General Assembly are generally satisfied with the services provided by its central legislative staff and the Principal Clerks.			8.9

ORGANIZATION AND STAFFING

General Assembly's Central Staff Organization and Staffing

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
4. The Legislative Services Officer position has been vacant for 18 years, and this has resulted in unclear management roles and responsibilities within the central staff.	<ul style="list-style-type: none"> The Legislative Services Officer position should be filled and responsibilities of the Legislative Services Officer and the Legislative Administrative Officer need to be clarified. 	<ul style="list-style-type: none"> This position will provide high quality, timely, and efficient services to the General Assembly and strengthen the management hierarchy guiding the staff. Defines routine administrative and personnel decisions that the Administrative Officer is authorized to make, taking into account the new Legislative Services Officer position. 	8.10
5. There is no formal delegation of authority between the LSC and the Legislative Administrative Officer.	<ul style="list-style-type: none"> The Legislative Services Commission (LSC) should formally decide upon the appropriate roles and responsibilities for the LSC and the Legislative Administrative Officer in conducting the administrative oversight for the General Assembly. 	<ul style="list-style-type: none"> Administrative decisions can be made in a more timely manner because the management body needed to approve some decisions will be in place. Enables the General Assembly to address issues identified in the Government Performance Audit. Enables long-range planning to take place in conjunction with any organizational and staffing changes from the recommendation for additional space. 	8.11
6. The Legislative Services Commission (LSC) has no established meeting schedule, which impacts making timely administrative decisions.	<ul style="list-style-type: none"> The LSC should have an established quarterly meeting schedule to provide administrative oversight of the General Assembly. The General Assembly needs to conduct a peer review of the organizational structure and staffing capabilities and levels required to serve the General Assembly in the future. 		8.11

ORGANIZATION AND STAFFING

General Assembly's Central Staff Organization and Staffing

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>7. There is no formal General Assembly facilities space plan.</p>	<ul style="list-style-type: none"> ▪ The LSC should develop a facilities plan that defines current space needs and plans for future needs for facilities and storage space. 	<ul style="list-style-type: none"> ▪ Enables problems of inadequate storage and inadequate room for the public to listen to the floor and /or committee proceedings to be resolved. 	<p>8.13</p>
<p>8. The current process of indexing of the journals for the House and the Senate is inconsistent.</p>	<ul style="list-style-type: none"> ▪ The House and Senate Principal Clerks should produce consistent journal indexes. 	<ul style="list-style-type: none"> ▪ Reduces confusion with regard to retrieval of a bill's status and smooths out work load patterns previously disrupted by inconsistent indexes. 	<p>8.14</p>

FINDINGS	RECOMMENDATIONS	RESULTS	REPORT PAGE REF.
<p>1.. There were two Subcommittee motions.</p>	<ul style="list-style-type: none"> ▪ Put a process in place, within the legislature, that would require the financial model to be continually updated. There should be a specific date within the year, where an actual statement of the legislature will be issued as to the assumptions of the model and the model's impact to the budget of North Carolina. ▪ A follow-up process, including an external review, should be put in place for the recommendations and implementation oversight. 		

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